

# Congress of the United States

Washington, DC 20515

April 9, 2024

The Honorable Gina Raimondo  
Secretary  
U.S. Department of Commerce  
1401 Constitution Avenue NW  
Washington, DC 20230

The Honorable Katherine Tai  
U.S. Trade Representative  
Office of the U.S. Trade Representative  
600 17th Street NW  
Washington, DC 20508

Dear Secretary Raimondo and Ambassador Tai:

We are writing to urge additional action on the imminent danger posed by the expansion of Chinese automotive exports that threaten the vitality of the U.S. automotive sector. While we support the Administration's work to ensure American automotive leadership, the Chinese Communist Party's (CCP) recent efforts raise economic and national security concerns that will have consequences for American jobs and manufacturing.

The influx of low-cost Chinese vehicles backed by the CCP poses a threat to the U.S. automotive sector.<sup>1</sup> It is imperative that action be taken to prevent this from materializing.

In recent years, the CCP has made significant investments to support its automotive industry, which has led to an overabundance of Chinese exports.<sup>2</sup> Despite U.S. trade barriers, Chinese automakers are now seeking entry into our market.<sup>3</sup>

This looming threat of Chinese imports puts at risk our automotive sector's long-standing leadership. The aggressive expansion of Chinese manufacturers, buoyed by CCP subsidies,<sup>4</sup> threatens to undermine the competitiveness of our domestic manufacturers and jeopardize the livelihoods of millions of American workers.

The Chinese automotive industry's exponential growth also poses significant overcapacity challenges. This surplus, coupled with the aggressive pursuit of new markets,<sup>5</sup> raises concerns about Chinese dumping practices. However, the implications of the Chinese automotive

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<sup>1</sup> Wayland, M. "Why China poses a growing threat to the U.S. auto industry." *CNBC*. 23 Jan. 2024. Retrieved from: <https://www.cnbc.com/2024/01/22/china-poses-growing-threat-to-us-auto-industry.html>.

<sup>2</sup> Cheng, S. "China Becomes the World's Biggest Auto Exporter—With Help From Russia." *The Wall Street Journal*. 9 Jan. 2024. Retrieved from: <https://www.wsj.com/world/china/china-vehicle-sales-rise-further-boosted-by-stimulus-policies-sales-promotions-3452cca1>.

<sup>3</sup> Davis, R., Felton, R., and Cheng, S. "To Avoid Hefty Tariffs, China's BYD Eyes U.S. Car Market Via Mexico." *The Wall Street Journal*. 16 Feb. 2024. Retrieved from: <https://www.wsj.com/business/autos/chinese-ev-maker-byd-exploring-mexico-factory-as-entry-to-u-s-market-411360fa>.

<sup>4</sup> Kawa Se, K. "China gives EV sector billions of yuan in subsidies." *Nikkei Asia*. 21 Sept. 2023. Retrieved from: <https://asia.nikkei.com/Spotlight/Electric-cars-in-China/China-gives-EV-sector-billions-of-yuan-in-subsidies>.

industry's exponential growth extend beyond economic considerations, encompassing broader national security concerns.<sup>6</sup> CCP-backed initiatives are aimed at achieving global market dominance.<sup>7</sup>

We want to emphasize the importance of maintaining American leadership in electric vehicle (EV) manufacturing as we transition to a cleaner future, and we thank the Administration for its work on the Inflation Reduction Act, the Infrastructure Investment and Jobs Act, and the CHIPS and Science Act dedicated to investing in America. We appreciate the Administration's recent efforts to investigate risks associated with foreign adversarial highly connected vehicle supply chains.<sup>8</sup> This is vital to addressing the immediate threat posed by Chinese automotive imports on our critical infrastructure.

However, we urge the Administration to take decisive action to block the entry of Chinese automobiles into the American market. The Administration should increase tariffs on Chinese automobiles, expedite the review of existing Section 301 tariffs on Chinese goods, and continue strengthening enforcement of our trade agreements to ensure automobiles and parts produced by Chinese manufacturers are not reaping the benefits. These are essential to safeguard domestic automotive manufacturing, protect American jobs, and preserve national security interests.

We are looking forward to continued collaboration to combat the threats posed by Chinese efforts to infiltrate our market. It is imperative that the Administration take proactive steps to address the threat posed by CCP-subsidized imports into the U.S. automotive sector. Failure to act will have far-reaching consequences for the American economy and for our national security interests.

We stand ready to continue to support the Administration. Together, we can ensure the continued prosperity of the U.S. automotive industry and the preservation of good-paying jobs across the nation.

Sincerely,

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<sup>5</sup> Davis, R., Felton, R., and Cheng, S. "To Avoid Hefty Tariffs, China's BYD Eyes U.S. Car Market Via Mexico." *The Wall Street Journal*. 16 Feb. 2024. Retrieved from: <https://www.wsj.com/business/autos/chinese-ev-maker-byd-exploring-mexico-factory-as-entry-to-u-s-market-411360fa>.

<sup>6</sup> Tankersley, J. "Biden Calls Chinese Electric Vehicles a Security Threat." *The New York Times*. 29 Feb. 2024. Retrieved from: <https://www.nytimes.com/2024/02/29/us/politics/biden-chinese-electric-vehicles.html>.

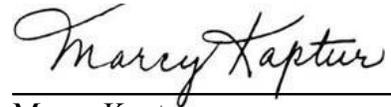
<sup>7</sup> McBride, J. and Chatzky, A. "Is 'Made in China 2025' a Threat to Global Trade?" *Council on Foreign Relations*. 13 May 2019. Retrieved from: <https://www.cfr.org/background/made-china-2025-threat-global-trade>.

<sup>8</sup> "Citing National Security Concerns, Biden-Harris Administration Announces Inquiry into Connected Vehicles." *U.S. Department of Commerce*. 29 Feb. 2024. Retrieved from: <https://www.commerce.gov/news/press-releases/2024/02/citing-national-security-concerns-biden-harris-administration-announces>.



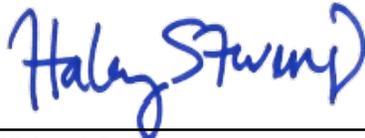
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